



STATE OF UTAH
NATURAL RESOURCES
Oil, Gas & Mining

File
Norman H. Bangerter, Governor
Dee C. Hansen, Executive Director
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March 10, 1988

CERTIFIED RETURN RECEIPT REQUEST
(P 001 771 215)

Mr. Jerry Glazier
5M Incorporated
P.O. Box 752
Hurricane, Utah 84737

Dear Mr. Glazier:

Re: Permitting and Reclamation Status of the Silver Reef Mine, M/053/002,
Washington County, Utah

Thank you for taking the time to meet with David Wham and Frank Filas of my staff during their recent trip to Hurricane. This letter will serve to formalize the Division's position concerning the permitting and reclamation status of the Silver Reef Mine.

As you are aware, the reclamation surety posted by Kerley Engineering, Inc. was recently released to the Division. It is the Division's policy to conduct immediate reclamation at a site following the forfeiture of a surety. However, we would like to take this opportunity to advise you of your options in this matter under the Mined Land Reclamation Act.

As discussed during the February 17, 1988 meeting, in order for 5M, Inc. to maintain the minesite in the current state of suspended operations, the following actions must be taken:

- 1) A complete Reclamation Plan must be received by the Division on or before April 4, 1988. The plan must accurately describe both the current extent of onsite facilities and disturbances, and detail a proposed plan of reclamation.
- 2) Total clean up of the site must be completed before May 15, 1988. As discussed, these measures will include removal of PVC pipe on the leach pads and removal of all trash, scrap and debris from the project area.

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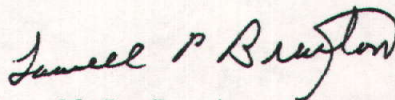
- 3) Within 60 days of our approval of a reclamation plan, 5M must provide the Board of Oil, Gas and Mining with an acceptable form and amount of reclamation surety for this project. As you have expressed concern over the surety issue and the final disposition of the forfeited Kerley Industries bond, we recommend that you petition the Board as soon as possible to obtain a ruling on any requests you may have in this regard.

Please be advised that failure to meet the above deadlines will result in the Division requesting that appropriate action be taken by the Board of Oil, Gas and Mining to assure immediate reclamation. If these deadlines cannot be met, the Division must receive prior notification justifying the need for an extension.

If it is 5M's wish to keep the mine in a suspended state of operation, once permitted, the Division will cooperate to the extent allowed by our regulations to achieve that goal. We are willing to meet with you at your convenience to provide clarification of our requirements or assistance in preparing the reclamation plan. However, it must be understood that unless the mine is adequately permitted and bonded under the Act, it will be reclaimed.

Thank you for your cooperation.

Sincerely,



Lowell P. Braxton
Administrator, Mineral Resource
Development and Reclamation Program

DMW

cc: D. Wham
F. Filas
K. May
B. Roberts

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